

SCPP Executive Committee Membership

Background

The composition of the Executive Committee of the Select Committee on Pension Policy is governed by statute, and requires a committee of five members, including the following: the chairperson (a Senator in even-numbered years and a member of the House in odd-numbered years); the vice-chairperson (a member of the House in even-numbered years and a Senator in odd-numbered years); one active member or representative from an organization of active members of the state retirement systems; one employer representative or member of the state retirement systems; and one member from the directors of the department of retirement systems and office of financial management, serving in alternate years.

Committee Activity

Presentations:

September 7, 2004 - Executive Committee
October 19, 2004 - Full Committee

Proposal:

October 19, 2004 - Full Committee

Recommendation to Legislature

Add a sixth member to the Executive Committee who is a retiree or representative of a retiree organization of the state retirement systems, and delete the provision requiring the director of the office of financial management to serve on the Executive Committee in alternate years.

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Select Committee on Pension Policy

SCPP Executive Committee

Membership

(October 12, 2004)

Issue

The issue addressed in this report is whether a retiree representative should be added to the Executive Committee of the Select Committee on Pension Policy (SCPP).

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Current Situation

The composition of the Executive Committee is governed by statute. RCW 41.04.276(4) requires the SCPP to establish an Executive Committee of five members, including:

1. the chairperson (a Senator in even-numbered years and a member of the House in odd-numbered years);
2. the vice-chairperson (a member of the House in even-numbered years and a Senator in odd-numbered years);
3. one active member or representative from an organization of active members of the state retirement systems;
4. one employer representative or member of the state retirement systems; and
5. one member from the directors of the department of retirement systems and office of financial management, serving in alternate years.

History

The original legislation creating the SCPP and requiring the establishment of an Executive Committee was passed in 2003, and has not been amended since that time.

Analysis

The SCPP consists of twenty members coming from six categories of membership: (1) four members of the senate, (2) four members of the house, (3) four active members, (4) two retired members, (5) four employer members and (6) the directors of the department of retirement systems and office of financial management.

The Executive Committee is a five-member body of the SCPP. As provided in SCPP Rule of Procedure No. 8, the Executive Committee sets the agendas for SCPP meetings, recommends actions to be taken by the full SCPP and performs all duties assigned to it by the SCPP. Currently, five of the six categories of SCPP membership are represented on the Executive Committee. There is no member of the Executive Committee from the sixth category, i.e. that of retirees.

Adding a retiree representative to the Executive Committee would require legislation due to the fact that the composition of the Executive Committee is governed by statute. See the attached copy of RCW 41.04.276 (4). If such legislation were to pass, the Executive Committee would then have six members. While there is a potential for deadlock in any body consisting of an even number of members, the Executive Committee has tended so far to act largely by consensus in making its recommendations to the SCPP. In any event, final actions are taken by the SCPP at large, which also has an even number of members.

Supporting Information

A copy of the statute setting forth the current membership of the Executive Committee is attached.

Executive Committee Recommendation

At its meeting on September 7, 2004, the Executive Committee recommended that a draft bill be prepared for the full SCPP that adds one retiree to the Executive Committee.

Draft Bill

A draft bill amending the statute governing Executive Committee membership is attached.

Fiscal Impact (Draft)

None.

RCW 41.04.276

Select committee on pension policy -- Creation -- Membership -- Terms of office -- Staff support.

(1) The select committee on pension policy is created. The select committee consists of:

(a) Four members of the senate appointed by the president of the senate, two of whom are members of the majority party and two of whom are members of the minority party. At least three of the appointees shall be members of the senate ways and means committee;

(b) Four members of the house of representatives appointed by the speaker, two of whom are members of the majority party and two of whom are members of the minority party. At least three of the appointees shall be members of the house of representatives appropriations committee;

(c) Four active members or representatives from organizations of active members of the state retirement systems appointed by the governor for staggered three-year terms, with no more than two appointees representing any one employee retirement system;

(d) Two retired members or representatives of retired members' organizations of the state retirement systems appointed by the governor for staggered three-year terms, with no two members from the same system;

(e) Four employer representatives of members of the state retirement systems appointed by the governor for staggered three-year terms; and

(f) The directors of the department of retirement systems and office of financial management.

(2)(a) The term of office of each member of the house of representatives or senate serving on the committee runs from the close of the session in which he or she is appointed until the close of the next regular session held in an odd-numbered year. If a successor is not appointed during a session, the member's term continues until the member is reappointed or a successor is appointed. The term of office for a committee member who is a member of the house of representatives or the senate who does not continue as a member of the senate or house of representatives ceases upon the convening of the next session of the legislature during the odd-numbered year following the member's appointment, or upon the member's resignation, whichever is earlier. All vacancies of positions held by members of the legislature must be filled from the same political party and from the same house as the member whose seat was vacated.

(b) Following the terms of members and representatives appointed under subsection (1)(d) of this section, the retiree positions shall be rotated to ensure that each system has an opportunity to have a retiree representative on the committee.

(3) The committee shall elect a chairperson and a vice-chairperson. The chairperson shall be a member of the senate in even-numbered years and a member of the house of representatives in odd-numbered years and the vice-chairperson shall be a member of the house of representatives in even-numbered years and a member of the senate in odd-numbered years.

(4) The committee shall establish an executive committee of five members, including the chairperson, the vice-chairperson, one member from subsection (1)(c) of this section, one member from subsection (1)(e) of this section, and one member from subsection (1)(f) of this section, with the directors of the department of retirement systems and the office of financial management serving in alternate years.

(5) Nonlegislative members of the select committee serve without compensation, but shall be reimbursed for travel expenses under RCW 43.03.050 and 43.03.060.

(6) The office of state actuary under chapter 44.44 RCW shall provide staff and technical support to the committee.

[2003 c 295 § 1.]

1 AN ACT Relating to the membership of the executive committee of the
2 select committee on pension policy; and amending RCW 41.04.276.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 41.04.276 and 2003 c 295 s 1 are each amended to read
5 as follows:

6 (1) The select committee on pension policy is created. The select
7 committee consists of:

8 (a) Four members of the senate appointed by the president of the
9 senate, two of whom are members of the majority party and two of whom
10 are members of the minority party. At least three of the appointees
11 shall be members of the senate ways and means committee;

12 (b) Four members of the house of representatives appointed by the
13 speaker, two of whom are members of the majority party and two of whom
14 are members of the minority party. At least three of the appointees
15 shall be members of the house of representatives appropriations
16 committee;

17 (c) Four active members or representatives from organizations of
18 active members of the state retirement systems appointed by the

1 governor for staggered three-year terms, with no more than two
2 appointees representing any one employee retirement system;

3 (d) Two retired members or representatives of retired members'
4 organizations of the state retirement systems appointed by the governor
5 for staggered three-year terms, with no two members from the same
6 system;

7 (e) Four employer representatives of members of the state
8 retirement systems appointed by the governor for staggered three-year
9 terms; and

10 (f) The directors of the department of retirement systems and
11 office of financial management.

12 (2)(a) The term of office of each member of the house of
13 representatives or senate serving on the committee runs from the close
14 of the session in which he or she is appointed until the close of the
15 next regular session held in an odd-numbered year. If a successor is
16 not appointed during a session, the member's term continues until the
17 member is reappointed or a successor is appointed. The term of office
18 for a committee member who is a member of the house of representatives
19 or the senate who does not continue as a member of the senate or house
20 of representatives ceases upon the convening of the next session of the
21 legislature during the odd-numbered year following the member's
22 appointment, or upon the member's resignation, whichever is earlier.
23 All vacancies of positions held by members of the legislature must be
24 filled from the same political party and from the same house as the
25 member whose seat was vacated.

26 (b) Following the terms of members and representatives appointed
27 under subsection (1)(d) of this section, the retiree positions shall be
28 rotated to ensure that each system has an opportunity to have a retiree
29 representative on the committee.

30 (3) The committee shall elect a chairperson and a vice-chairperson.
31 The chairperson shall be a member of the senate in even-numbered years
32 and a member of the house of representatives in odd-numbered years and
33 the vice-chairperson shall be a member of the house of representatives
34 in even-numbered years and a member of the senate in odd-numbered
35 years.

36 (4) The committee shall establish an executive committee of
37 (~~(five)~~) six members, including the chairperson, the vice-chairperson,
38 one member from subsection (1)(c) of this section, one member from

1 subsection (1)(d) of this section, one member from subsection (1)(e) of
2 this section, and ~~((one member from subsection (1)(f) of this section,~~
3 ~~with))~~ the director(~~(s)~~) of the department of retirement systems ~~((and~~
4 ~~the office of financial management serving in alternate years))~~.

5 (5) Nonlegislative members of the select committee serve without
6 compensation, but shall be reimbursed for travel expenses under RCW
7 43.03.050 and 43.03.060.

8 (6) The office of state actuary under chapter 44.44 RCW shall
9 provide staff and technical support to the committee.

--- END ---

DRAFT FISCAL NOTE

REQUEST NO.

RESPONDING AGENCY:	CODE:	DATE:	BILL NUMBER:
Office of the State Actuary	035	10/25/04	Z-0158.2/Z-0151.1

SUMMARY OF BILL:

This bill would add one retiree representative to the Executive Committee of the Select Committee on Pension Policy. In addition, this bill would delete from statute the provision requiring the director of the office of financial management to serve as a member of the Executive Committee in alternate years.

Effective Date: 90 days after session.

CURRENT SITUATION:

Currently there are five members of the Executive Committee of the Select Committee on Pension Policy representing five of the six categories of SCPP membership. The category of SCPP membership that is not currently represented on the Executive Committee is that of "retired members or representatives of retired members' organizations of the state retirement systems." The proposed legislation would add one additional member to the Executive Committee from this category.

Currently, one position on the Executive Committee is shared in that the director of the department of retirement systems and the director of the office of financial management serve on the Executive Committee in alternate years. The proposed legislation would strike references to the director of the office of financial management such that the director of the department of retirement systems would be the only executive branch member serving on the Executive Committee.

FISCAL IMPACT:

There is no fiscal impact.